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C O N F I D E N T I A L SECTION 01 OF 03 TEL AVIV 000299

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TAGS: PGOV PREL PTER KWBG KPAL CH IR IS SY ETTC ISRAELI PALESTINIAN AFFAIRS PEACE PROCESS GOI EXTERNAL SUBJECT: OLMERT TO CODEL KERRY: "I AM COMMITTED TO CARRY ON"

Classified By: Deputy Chief of Mission Gene A. Cretz for reasons 1.4 (b.d).

- 11. (C) Summary: Alternate Prime Minister Ehud Olmert told Senator John Kerry in a January 17 meeting that he is committed to carrying on Sharon's vision of setting the "political outcomes within the broad context of the roadmap." Olmert highlighted his commitment to pursue a serious dialogue with Palestinian Authority President Mahmud Abbas, but stressed that Israeli public opinion would not allow for negotiations if terrorist attacks occur. He said that he intends to give Abbas two-to-three months after the January 25 Palestinian Legislative Council (PLC) elections to "change the constitution" (read: change the PA basic laws to require groups to renounce violence before they are allowed to participate in the political process) and to disarm terrorist groups before the GOI decides how to deal with the PA. Olmert said he decided to allow Palestinians to vote in East Jerusalem so as not to give the PA an excuse to postpone the elections, although he gauged that it was a mistake for the U.S. and Israel to "acquiesce" to Hamas participation. The GOI will not deal with a PA that includes terrorists, even if such terrorists are only in the parliament, Olmert said. He claimed that while Hamas has been relatively quiet with respect to terrorist activity, it has been building up its terrorist infrastructure and clandestinely helping terrorist groups like Palestinian Islamic Jihad in their operations.
- 12. (C) Summary cont: In response to Senator Kerry's query, Olmert assessed that Russia could play a significant role in addressing Iran's nuclear program and stressed that Iran is an international issue, not just Israel's problem. Senator Kerry underscored the broad international concern over Iran's nuclear program, as evidenced in part in Kerry's recent meetings with the political leadership of India and Afghanistan. Olmert maintained that the recent problem between the U.S. and Israel over Israel's China sales was caused by a misunderstanding on both sides. End Summary.

Olmert in Good Form and Spirits

- 13. (C) An upbeat, joking, and confident Alternate Prime Minister Ehud Olmert met Codel Kerry in his Ministry of Trade Office across the street from the Prime Minister's office. At one point toward the end of the meeting, Olmert received a note. When Senator Kerry asked if Olmert was under pressure to "run away" to another meeting, Olmert winked and said, "The Prime Minister never has to run away." Sharon's Foreign Policy Advisor, Shalom Tourgeman, MFA Deputy Director for North America Yoram Ben Ze'ev, North American Department for Congressional Affairs Director Eyal Sela, PM Office Chief of Protocol Edna Halabani, and Ministry of Trade assistant Rachel Risby-Raz attended the meeting. Senator Kerry was joined by his senior foreign policy advisor, Nancy Stetson, military congressional liaison John Ulrich, the DCM, and Poloff notetaker.
- 14. (C) At the start, Olmert stressed how little time he has had to prepare for taking over the responsibilities of prime minister, and underlined that although "we are very sad," Israel has demonstrated strength, stability, and continuity. He noted that he had assumed responsibility for 15 ministries from Sharon, given the number of vacancies then in the Cabinet. Olmert joked that in the morning he has to ask his wife what he has to do today and his wife says, "Go to work." Olmert expressed the hope that Sharon would recover fully, but added that chances are "remote" that Sharon will return full force to politics. Senator Kerry conveyed U.S. concern over Sharon's condition as well as admiration for the dignified way Olmert had conducted himself during the difficult time surrounding Sharon's stroke.

Olmert Tops Kadima

15. (C) Olmert noted that the Kadima party has three weeks to submit its Knesset list to the elections commission, and added that he will "lead the party to the next elections." Olmert claimed that a recent poll shows that if elections were held today, Kadima would win some 50 Knesset seats and enjoy a 30-seat lead over the party with the next highest

number of seats, Likud. (Note: Olmert is likely referring to a Brain Trust poll published in Rishon Leziyon Globes on January 16 that shows Kadima winning 52 seats, followed by Likud with 21, and then Labor with 12. End note.)

Carrying on Sharon's Vision

16. (C) In response to Senator Kerry's question as to how Olmert sees the way forward, Olmert underscored that, as Sharon's closest political ally, he intends to carry on what Sharon had envisioned for the country. "I encouraged (Sharon) to go for disengagement," Olmert said. He added that Sharon left Likud because he needed "flexibility for what he wanted to achieve," even though, Olmert assessed, Sharon could have won the Likud chairmanship over Binyamin Netanyahu by a 40 point margin. "(Sharon) really hoped (that) in his lifetime he could set the parameters for dictating the inevitable political outcome within the broad framework of the roadmap," Olmert said, "I am committed to carry on."

Hamas and the PLC Elections

17. (C) Turning to the PLC elections, Olmert said that the GOI "felt from the beginning" that the U.S. made a mistake by acquiescing to Hamas participation in the PLC elections, since Hamas never altered its agenda calling for the liquidation of Israel. He said the GOI "told the USG" that it was a mistake, including to NEA A/S Welch and DAPNSA Abrams during their recent visit. Olmert said that he made up his mind just a few hours after Sharon's hospitalization to allow PLC elections to take place in East Jerusalem -- but without Hamas participation -- so as not to give the PA an excuse to postpone the elections. Olmert stressed that he did not want to wait for a call from Secretary Rice to make a decision on this issue, and that in taking this decision, he risked political criticism, especially from Likud leader Binyamin Netanyahu, who has opposed this move. Olmert asserted that Netanyahu "runs his entire political fortune on Jerusalem" and the issue of who will divide it. He added that he does not care about this criticism since "U.S. cooperation is very important to us... " and that "President Bush is committed to having (PLC) elections on time." Olmert thanked Senator Kerry for signing a letter along with other Senators against Hamas participation in the elections. Senator Kerry expressed support for Olmert's stand on Jerusalem voting and urged him to remain as flexible as possible on remaining issues to prevent Israel from being blamed for any failure to hold the elections.

After the PLC Elections

18. (C) Olmert made it clear that the GOI will have no tolerance for dealing with a PA that is made up even partly of Hamas, even if Hamas representation is only in the PLC; he saw no major distinction between the executive and legislative branches. He asserted that Hamas "will penetrate the fabric of the (Palestinian) government," even if it is only represented on the PLC, he underlined. Olmert said that Secretary Rice and President Bush agree with Olmert on this

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- 19. (C) Olmert said that the GOI needs to define a timetable with benchmarks for Abbas to: 1) "change the constitution" (note: we read this as a change in the PA basic laws to require groups to renounce violence before they are allowed to participate in the political process), and 2) disarm terrorist groups. In response to Senator Kerry's query, Olmert said that the GOI would likely give Abbas two-to-three months to accomplish the two goals. Olmert underscored that he is committed to pursuing "serious dialogue" with Abbas, adding that they know each other, but he stressed that if Abbas does not disarm the terrorists, daily confrontations will continue and negotiations cannot go forward.
- 110. (C) Senator Kerry noted that in a meeting with Abbas one year ago, Abbas had complained that he lacked the resources necessary to deal with security threats and had claimed that he could disarm the terrorist by coaxing them into the political process. Senator Kerry agreed with Olmert's assessment that Abbas had not accomplished anything in the last year to address security issues. Noting the ongoing terrorist threats against Israel, Olmert stressed that if terrorist attacks continue, Israeli public opinion will not support GOI negotiations with the PA leadership.

- 111. (C) Senator Kerry asked whether Hamas has respected the period of calm and whether the Palestinian Islamic Jihad (PIJ) is the group responsible for terrorist activity. Olmert agreed that Hamas has been relatively calm, but stressed that Hamas continues to build its terrorist infrastructure and is waiting for an opportunity to become active. Olmert underlined that the GOI "invested much" in the peace process and had undergone political changes. "Sharon made a revolution," he stressed. "I will likely take the next step...but I don't want to invest all this effort with the U.S. and the international community and then have Hamas renew its terrorist operation and have to break the whole process," he underlined. Olmert asserted that Hamas is using other terrorist groups, such as PIJ, as proxies to carry out terrorist acts.
- 112. (C) In response to Senator Kerry's query, Olmert said that Syrian President Assad is "stretching his rope and coming close to the limits." He said that Syria will have to pay the price. Israel is looking to the U.S. now for leadership in addressing Iran's nuclear program, Olmert said. Senator Kerry stressed U.S. bipartisan support for a tough policy on Iran and asked whether Olmert believes Russia could play an important role in dealing with Iran. Olmert said that the Russians could play a significant role, but assessed that Russian President Putin is "wavering." He underlined his concern that Iran not appear to be mainly Israel's problem. Senator Kerry assured Olmert that broad international concern exists about Iran, noting that in recent meetings, the political leadership of India and Afghanistan expressed concern to him about Iran. Olmert said that one tactic beyond economic sanctions such as those employed against South Africa for its apartheid policy could include prohibiting Iranians from traveling to the U.S. The Iranian leadership needs to be exposed to pressure from within, by the Iranian population, he said. UK Prime Minister Blair, French President Chirac and German Chancellor Merkel are all on the "same wavelength" with the GOI on this matter, he claimed.

The China "Misunderstanding"

- 113. (C) In response to Senator Kerry's query, Olmert said he views the GOI-USG issue over GOI military sales to China as a mistake on Israel's part and a misunderstanding on the USG part. Olmert said that the GOI perhaps did not properly understand the "sensitivity" of this issue to the U.S. With regard to the incident in question, Olmert asserted that Israel had not violated any GOI-USG understanding and that the GOI had "acted honorably." Olmert said he views the misunderstanding as a "gap in expectations between the two sides." Olmert recommended that both sides continue to discuss the issue, but underlined that there are "no better friend to the U.S. than Israel."
- 114. (C) Senator Kerry and Olmert spent a few minutes one-on-one after the meeting concluded. Senator Kerry later told the DCM that Olmert said he is ready and willing to take formidable risks to move the process forward. Olmert said, however, that he would require strong U.S. support. Senator Kerry told the DCM that on his return, he would raise with the Secretary and with NSC Advisor Hadley the issue of how the U.S. could support Olmert .
- 115. (U) Codel Kerry cleared this message.

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